



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

Internal Audit Section

1520 Market St., Suite 3005
St. Louis, Missouri 63103-2630
(314) 657-3490
Fax: (314) 552-7670

DR. KENNETH M. STONE, CPA
Internal Audit Executive

February 16, 2011

Meg Ebersoldt, Executive Director
Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives
1836 Lackland Hill
St. Louis, MO 63146

RE: Ryan White Part A and Minority AIDS Initiatives (Project #2011-DOH04)

Dear Ms. Ebersoldt:

Enclosed is a report of the fiscal monitoring review of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives, a for-profit organization, Ryan White Part A and Minority AIDS Initiative Programs, for the period March 1, 2010 through February 28, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives. Fieldwork was completed on January 26, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Health (DOH) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Joan McCray, Fiscal Manager, DOH
Sylvia Nelson, Grants Administrator, DOH



CITY OF ST. LOUIS

**DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A (RWA)
MINORITY AIDS INITIATIVE (MAI)**

**LACKLAND ACQUISITIONS II, LLC, D/B/A
HEALTHCARE STRATEGIC INITIATIVES
CONTRACT #HD-10-37 AND #HD-11-06
CFDA #93.914**

**FISCAL MONITORING REVIEW
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011**

PROJECT #2011-DOH04

DATE ISSUED: FEBRUARY 16, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A (RWA)
MINORITY AIDS INITIATIVE (MAI)
LACKLAND ACQUISITIONS II, LLC, D/B/A/
HEALTHCARE STRATEGIC INITIATIVES
FISCAL MONITORING REVIEW
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011**

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INTRODUCTION

Background

Contract Name: Lackland Acquisitions II, LLC

Contract Numbers: HD-10-37 (Ryan White Part A)
HD-11-06 (Minority AIDS Initiative)

CFDA Number: 93.914

Contract Period: March 1, 2010 through February 28, 2011

Contract Amounts: \$2,447,754 (RW Part A)
\$ 95,462 (Minority Aid Initiative)

These contract provided Ryan White Part A and Minority AIDS Initiative funds to Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives (Agency). The purpose of these funds were to provide a mechanism for authorization, delivery, reimbursement, and reporting of the HIV-related range of medical care services, oral health care services for Missouri residents living with HIV and/or AIDS and assisting them to receive appropriate healthcare and treatment.

Purpose

The purpose of the review was to determine the Agency's compliance with contract terms for the purchase of services and federal laws and regulations relating to for-profit vendors and local Department of Health (DOH) requirements for the period March 1, 2010, through February 28, 2011, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DOH. Evidence was tested supporting the reports the Agency submitted to DOH and other procedures were performed as considered necessary. Fieldwork was completed on August 15, 2011.

Exit Conference

The Agency was offered an exit conference on December 30, 2011, but it was declined.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not fully comply with the federal, state and local DOH requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2010-DOH10, issued December 8, 2010, contained no observations.

A-133 Status

The Agency expended over \$500,000 in federal funds for the year ended December 31, 2010. The Agency is a for-profit entity, so only a program-specific audit was required.

The report was dated September 30, 2011 and rendered an unqualified opinion on the care services program. No findings or questioned costs were reported.

There were no material weaknesses relating to the audit of the major federal award program that was reported on compliance with requirements applicable to the federal program and on internal controls over compliance in accordance with the program specific audit option.

The Agency qualified as a low-risk auditee.

Summary of Current Observations

There were no current observations.